

## **Talking Points**

### **Health Insurance Exchange Press Conference**

March 13, 2008, 10:30 a.m., Capitol Office

#### AGENDA:

- Governor opens w/comments (suggested remarks below)
- Angela Cain, Executive Director of Realtors Association
- Barbara Whitehead of the state-affiliate to National Right to Life
- (**NAME**), of the Mississippi Medical Association
- Forrest Thigpen, Mississippi Center for Public Policy
- Senator Buck Clarke, Chairman of the Senate Insurance Committee

*Governor thanks these four groups/Sen. Clarke for their leadership in supporting the health insurance exchange and again calls on Legislature to enact it.*

Q&A

#### SUGGESTED REMARKS:

**“Affordable health insurance is a critical issue in our state, which has an alarmingly high rate of uninsured residents.”**

- According to the U.S. Census Bureau’s 2007 Current Population Survey, **520,000 Mississippians** do not have health insurance.

- Mississippi's 18.1% uninsured rate is comparable to the national uninsured rate of 15.3%. However, a greater percentage of Mississippians (21%) rely on Medicaid for their coverage than the national average, which is 13%.
- **134,000 Mississippians work for small businesses with less than 25 employees that do not offer employer-sponsored health insurance.**
- 69,000 Mississippians are above 400% of the poverty level (\$81,776 for a family of four) but choose not to buy health insurance.
- **20% of the employees eligible for health insurance through an employer plan are not enrolled in that plan.**

**"Today's endorsements underscore the fact that action must be taken to ensure hard-working Mississippians have the healthcare they deserve. I've proposed the Mississippi Health Insurance Exchange**

**Program, which will provide citizens with a way to buy, own, and keep health insurance from job to job”**

- As the bill stands now, this Exchange applies only to small group markets (**small businesses with 50 employees or less**)
- The Exchange is **voluntary** and can increase health coverage, increase competition in the small group market, allow coverage portability and increase employers’ flexibility in offering health benefits.
- The Exchange functions as a single market where multiple health insurance plans can be purchased by individuals or small group employers
- Employees can choose from a broad range of health plans since there are no standard benefit packages
- A Health Insurance Exchange would allow the employee and employer to take advantage of the tax breaks for Americans who purchase health insurance through the work place

- o If an individual does not have employer-sponsored insurance, then they are forced to pay for their insurance with after-tax dollars, which could add 40-50% to the cost of their policy. In the case of the health insurance exchange, employers would designate this program as their plan for the purpose of the federal and state tax code. The employer, employee or both will make a defined contribution to the exchange, which becomes tax free to the employer, and the value of the health plan benefits is tax free to the employee.

**“While the Health Insurance Exchange is not a complete cure for the rising cost or availability of health insurance, the Exchange does offer many benefits.”**

- **Reduction of administrative costs and paperwork:**

One of the major benefits for employers is the

reduction in administrative costs and paperwork. The Exchange provides the primary administrative services, like billing and collecting premiums and disseminating information regarding different plan options. This will improve administrative efficiencies for small businesses.

- **Broader choice of plans:** Employees have a broader choice of plans. Instead of an employer choosing an employee's health plan, the employee is able to choose the plan that best meet his or her needs.
- **Insurance portability:** The plan an employee selects is portable. The individual owns the plan; therefore, they are able to retain the coverage, even if they leave their current job. The coverage stays with the employee, not the job.
- **Tax benefits:** A self-employed individual is able to receive the same tax benefits by designating the Exchange as their employer-sponsored plan versus purchasing the insurance in the open market.